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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Peacekeeping Reserve Fund

Report of the Secretary-General*

Summary

The General Assembly, in its resolution 47/217, decided to establish a Peacekeeping Reserve Fund as a cash-flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations.

The present report is submitted to provide information on the Fund for the period from 1 July 2003 to 30 June 2004.

The action to be taken by the General Assembly is set out in paragraph 6 of the report.

* The lateness of the submission is attributable to additional internal consultations.

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I. Introduction

1. The United Nations Peacekeeping Reserve Fund was established by the General Assembly in its resolution 47/217 to serve as a cash-flow mechanism to ensure the rapid deployment of peacekeeping operations. In accordance with the resolution, the initial level of the Fund was set at $150 million. The General Assembly, in resolution 49/233 A, decided to limit the utilization of the Fund to the start-up phase of new peacekeeping operations, to the expansion of existing ones or to unforeseen and extraordinary expenditures related to peacekeeping.

II. Utilization of the Fund for the period from 1 July 2003 to 30 June 2004

2. As reflected in the audited financial statements for the 12-month period from 1 July 2003 to 30 June 2004, the level of the Fund as at 30 June 2004 was $163.79 million, comprising the reserve of $150 million and an accumulated surplus of $13.79 million.

3. During the period from 1 July 2003 to 30 June 2004, loans were made from the Fund in connection with the immediate start-up requirements of four missions, as follows: $7.2 million to the United Nations Mission in Côte d'Ivoire (MINUCI), $76.2 million to the United Nations Mission in Liberia (UNMIL), $18 million to the United Nations Operation in Côte d'Ivoire (UNOCI), $8 million to the United Nations Operation in Burundi (ONUB) and $10 million to the United Nations Stabilization Mission in Haiti (MINUSTAH). The loans to MINUCI and UNMIL were repaid by 30 June 2004.

4. Outstanding loans as at 30 June 2004 totalled $48.82 million, comprising a combined loan of $36 million to UNOCI, ONUB and MINUSTAH, as noted in paragraph 3 above, and the previous loan of $12.820 million to the United Nations Mission in the Central African Republic (MINURCA).

III. Updated cash position of the Fund as at 31 March 2005

5. During the period from 1 July 2004 to 31 March 2005, new loans were made, consisting of $18 million to UNOCI, $8 million to ONUB, $5 million to MINUSTAH and $18 million to the United Nations Mission in the Sudan (UNMIS), which was established by the Security Council on 24 March 2005. Following the receipt of assessed contributions, all of the loans made to UNOCI, ONUB and MINUSTAH were repaid by 31 March 2005. As a result, total outstanding loans amounted to $30.82 million as at 31 March 2005, comprising $18 million to UNMIS and $12.82 million to MINURCA. The loans to MINURCA were made in 1998 and 1999. The fund balance of the Peacekeeping Reserve Fund as at 31 March 2005 amounted to $165.02 million, prior to the recording of investment income for the first quarter of 2005.

IV. Action to be taken by the General Assembly

6. **The Secretary-General recommends that the balance as at 30 June 2004 in excess of the authorized level of the Peacekeeping Reserve Fund, namely, $13.79 million, be applied to meet the financing of the support account for peacekeeping operations for the period from 1 July 2005 to 30 June 2006.**